

SUMMARY OF LEADERSHIP PANEL COMMENTS

The leadership report-out panel, representing the five Cabinet level organizations participating in the MTS National Conference, included DOT Secretary Slater, Deputy Secretary of Commerce, Robert L. Mallett; Under Secretary of Agriculture, Michael V. Dunn; Assistant Secretary of the Army, Dr. Joseph W. Westphal; and, Deputy Assistant Administrator of the Environmental Protection Agency, Dana Minerva.

The following is a summary of the comments of the Leadership Panel in response to the issue report out presentations.

Robert L. Mallett, Deputy Secretary, Department of Commerce

Thank you, Secretary Slater. And good morning to all of you. I am delighted to be here to listen to these very good reports, and to offer my support and the commitment of the Department of Commerce to work cooperatively with the groups represented here, the agencies represented here, to realize and actualize some of the very substantive recommendations that we've heard this morning.

I have a continued interest in navigation issues, and working with our National Ocean Service and others at the Department of Commerce in trying to make certain that we have a partnership with all elements of the marine transportation community.

Recently, I was in the Port of Oakland. I met with bar pilots. I met with a number of community groups. I met with people in the cities, I met the shippers, entrepreneurs who were trying to use some of our products that we created at the Department of Commerce, particularly our port data systems.

What we have heard today is all about how we can continue to remain the lead in international commerce on our waterways. Our international competitiveness is one of the highest priorities of the Commerce Department. The recommendations and information I've heard this morning will ensure that we maintain our lead.

A lot has been said this morning. A lot has been said over these past two or three days. It is going to be hard, make no mistake about it, to realize some of the things that you want us to do. But because it's going to be hard does not mean that we cannot make a very valiant effort at getting most of what you have recommended done.

I hope that in this process, as we attempt to actualize what you've recommended, that you remember that perfect is the enemy of the good, and that it is very important that we get most of what you recommended done, even if we don't get it all done. Now, that is not to say that there is any particular recommendation that I heard that I necessarily disagree with. But, you know how these things work. Everybody wants 100 percent, instead of

99. Well, sometimes it's all right to have 99, and to take a few extra months to get your extra one percent.

I can tell you, that I and my department are decidedly enthusiastic about the work you have done here. You may rest assured that my door remains open. All of us at the National Oceanic and Atmospheric Administration, the National Ocean Service, all of us at the Department of Commerce want to remain a vital partner with you and with our sister agencies.

Thank you very much for your very good work.

Michael V. Dunn, Under Secretary, Department of Agriculture

Agriculture depends on transportation. Secretary Glickman has said over and over again, we can grow it, but if we can't get it there, we can't sell it. Much of the cost of our products is wrapped up in transportation costs. For many farmers and ranchers, the bottom line depends on transportation costs. Thus, transportation is extremely important to us at the USDA.

I want to commend Secretary Slater for having this conference on the Marine Transportation System, and bringing us together to talk about problems and solutions. This conference is a reminder of the importance of sharing real-time information to do our jobs.

Throughout government, at the direction of the President, we are readying for Year 2000 (Y2K). Secretary Slater heads up a President's Council working group on transportation, with USDA participation. I co-chair the Food Supply Working Group for Secretary Glickman. Transportation is a vital part of food delivery. We are only as strong as our weakest link in Y2K. We must be prepared. If we are not totally ready, we need contingency. I cannot think of a better group than this to exchange information on Y2K.

I'd like to commend General Fuhrman for his excellent presentation on the vision statement. I know how hard it is to craft a vision statement. Everyone has a nuance to include. I suggest adding "effective and efficient." While we certainly seek a maritime transportation system that is efficient, we must also ensure that it is effective. Many times in government we are extremely efficient issuing rules and spending money, but not as effective achieving end results. What the Government Performance and Results Act is all about is helping us prepare to be efficient and effective.

I was delighted that the first item on the reporters' feedback list was safety, because the human resource is probably the most precious resource we have. Human safety is extremely important. On behalf of USDA, I thank all the men and women in government for the fantastic job they are doing in transportation. I don't think we recognize people enough in government, so I want to do it here.

Getting the government and private sectors to work together to develop and maintain the transportation infrastructure just makes sense. No single segment or entity can do it alone. It can only be done through partnership.

We are in a major catharsis in agriculture. The 1996 Farm Bill says farmers have freedom to farm. This means we are going to be producing more and generating products in different areas from where we have in the past. Changes in biotechnology will have a tremendous impact on what is grown, where it is processed, and how the final product will be shipped domestically or overseas. It is extremely important we have and share the best information possible about our needs in agriculture, and develop a system to meet those needs. That is why Secretary Glickman asked us to put together a long-term agricultural strategy. In the spirit of partnership, we hosted with Secretary Slater the first summit on agricultural transportation needs in Kansas City last summer. The participants said this has been a long time coming. We really needed to talk about where we are going in transportation and in agriculture.

The U.S. agricultural sector is the largest user of freight transportation services in this country. In fact, by summing the movements of raw agricultural commodities, processed products, and agricultural inputs, agriculture accounts for nearly one-third of all freight transportation services provided in this country.

Competitiveness is another critical issue. We rely on transportation to be competitive. Our corn sets the world price. It is not because we can produce that corn cheaper than anyone else. It is because we have an efficient, effective transportation system that can get us into the world market. Corn that is exported from the Gulf of Mexico is produced in the Midwest, trucked or railed to a river elevator, and barged to the Gulf, loaded on ocean-going vessels and delivered to the world market. The U.S. produces about 42 percent of the world's corn and supplies 61 percent of the world's corn exports.

Now, we cannot rest on our laurels. I just returned from Brazil, where they showed me that in the past decade, they have doubled production and want to sell it globally. Two things are holding them back. One is their monetary system and credit policy, but the second is transportation. They cannot efficiently move it out of their country. But they are investing heavily. Argentina is also spending hundreds of millions of dollars dredging their facilities to become a world-class exporter, and building up their rail network. We need to hold our competitive advantage - which the presenters identified as a key issue. Clearly, U.S. agriculture depends on an efficient and effective Marine Transportation System to be competitive.

The cooperative approach we are using on environmental risk-based analysis across government could serve as a model for the systems approach discussed here. At USDA, we have assembled a group to work on risk-based analysis, which routinely talks with the White House and EPA about our joint environmental responsibilities.

Security is extremely important. My animal and plant health inspectors at ports do not wear guns, but rely on the folks who do. The type of smuggling occurring is

unbelievable. We received a call from Customs indicating they thought they had a big dope bust. They knew that a particular trailer coming from Mexico into the U.S. had a false bottom, and they thought we were going to find a lot of cocaine and marijuana. So they grabbed the drivers when they arrived in California. What they found was 6,000 pounds of avocados. So they called us at USDA because this was considered contraband. Those avocados were carrying pests that could harm U.S. agriculture. The need for coordination is very apparent. Because smuggling is done for big bucks and greed, they do not care about human well-being. So it is extremely important that we have professionals to ensure safety for all our employees. I commend you for your action plan in that area.

The coordination you discussed is really the bottom line. We are very fortunate that Secretary Glickman and Secretary Slater have signed a memorandum of understanding (MOU) on how we will coordinate our efforts. We in their sub-cabinets are now working on similar MOU's. But it cannot just be government-to-government efforts. It has to be Federal, State and local government with the private sector. The presenters' action plans give us a good blueprint of where to go from here.

Again, Secretary Slater, I commend you and your staff for putting together this conference. It has been an excellent forum. I think we will follow through, but the private sector needs to hold our feet to the fire to see that we follow through.

Joseph W. Westphal, Assistant Secretary of the Army for Civil Works

Thank you. And thank you, Mr. Secretary, for actually initiating this and moving us forward on thinking about a transportation system. It's badly needed. I agree with my two colleagues who have pointed out that the real task is yet to come. That is to put a lot of what's been talked about in the vision and in the other components into a strategic plan.

The various points that have been made here about competitiveness, partnerships and coordination, environmental protection, economic strength and vitality in a competitive system, are all absolute cornerstones of this Administration's policy. They are things that have been drummed into us who serve this President and Vice President continually as the things that we have to do to sustain this Administration's policies throughout. What you have reported out today is a challenge to do in fact what the President and Vice President really want us to accomplish.

I would like to support everything that's been said before me, not to repeat it. I will emphasize another point that I think is absolutely critical. In my particular area of jurisdiction, one of the problems that we suffer is that we depend a great deal on the private sector and on local folks, local and state governments, to share with us in the cost of maintaining and building and supporting our infrastructure. And that cost is getting harder to meet and it's getting larger to meet. As our infrastructure ages the demand for

maintaining it, improving it, and doing it without risk to the environment is getting to be a tougher task. We need federal resources to do that.

We as a federal government have to stand by our partners, and work with our partners in a faithful manner to ensure development, to achieve competitiveness, to achieve environmental protection, to achieve the coordinated efforts that we need. This requires us to be equal partners and to bring resources to the table. That's what I think we need to do in developing a strategic plan.

We need to keep in mind that the resources are tight. We have as a system, as a government, as a nation, a huge amount of competition among a variety of highly-critical and important missions, whether it's education, our national defense, our transportation system. We need the resources. And we need to continue to fight for those resources to achieve this balance.

From a national defense standpoint this is absolutely critical for the nation's security, and I'd like to just reemphasize that, and cite one brief example. In Desert Storm, for example, MTMC operated out of 33 of our ports, and loaded more than 946,000 pieces of equipment, equating 6.5 million measurement tons into 564 ships which were bound for Saudi Arabia during Desert Shield/Desert Storm. That's just one example. I could cite you figures about Bosnia and other deployments. We need our transportation system to be vital, and to be absolutely competitive, not just in the world economic market, but also when it comes to our national security.

I stand ready to work with you, Mr. Secretary, and my colleagues around the table and other federal agencies, to interact as strongly and as forcefully as we can in the White House and in Congress to fortify this system. We will work in a cooperative way to achieve the goals that all of you have reported out, and that are required by our President and the Vice President. Thank you.

Dana Minerva, Deputy Assistant Administrator, Environmental Protection Agency

It certainly has been a view of the Administration that the environment and the economy are linked, and I would say that a healthy Marine Transportation System is linked with a healthy environment. And I certainly appreciate the inclusion of the environment in the vision statement. Speaking of words, I was happy to see "environment" as one of the words. And I think that we need to approach the environment and the Marine Transportation System as a system, and recognize the link between them.

I appreciated the emphasis on inclusiveness. I think a lot of disputes about Marine Transportation System and the environment can be avoided if we have early communication and early listening sessions, and early involvement by all the interested parties.

I also very much appreciated, in the environmental section, the emphasis on watersheds

and ecosystems. In the end, Marine Transportation System is part of the larger ecosystem. It doesn't exist in the landscape alone. Ports are neighbors to larger neighborhoods, and I think that it's important to remember that link to larger watersheds, to larger ecosystems. I was very pleased to see that.

And, Mr. Secretary, I really appreciate the opportunity to have the Environmental Protection Agency linked into this conference and the opportunity to continue to work with you. And I hope we have some time for some questions here. I was particularly interested in the idea of an industry self-certification program.

We know in the Environmental Protection Agency that regulations alone won't protect the environment, and that voluntary efforts by industry are very important. So I was extremely intrigued by the industry self-certification issue, and I'd like, if we have an opportunity, to hear more about that. Thank you, Mr. Secretary.

Rodney E. Slater, Secretary, Department of Transportation

That's a very good question about funding the MTS. I would suggest that the sum of my remarks speak to that question. Your question goes to whether anything good is going to come from this conference. That's the heart of your question. Let me offer a few comments, and we'll see if that's the case.

People on the move need safe, reliable transportation to keep them going. All too often, marine transportation is provided by an industry that, frankly, does not get the kind of attention it needs and deserves. In that regard, I want to answer the question about resources in this way. If our vision is powerful enough, we can get what we need. Kurt spoke to this in talking about the need for coordination; he basically said that one reason we haven't had the coordination in the past is because we haven't had the vision.

We haven't had the give and take necessary involving those concerned about the environment and those concerned about infrastructure. We haven't focused as much as we should have on the importance of this industry as it relates to our national security, our economy, and how that certain investments can actually enhance the environment.

If the vision is bold enough, we can get there. And I want to suggest that everything that follows speaks to that point that I made to you in response to your question. We can get there. We can get there because this conference has been an immense success. And I want to congratulate all of you for making it so.

Again, I want to mention Admiral North, and also our Deputy Administrator for MARAD, John Graykowski, because they have chaired this effort for you today. Clearly, I have more to say about Admiral Loy and Mr. Hart later, because MARAD and the Coast Guard have worked hard with all of you to give us the ability to say that all our time here has been time well-spent. This is a wonderful work in progress. And I can tell you that we have a President who understands the importance of your work. The

President said early on that if America is to move forward into the 21st century, our transportation system must be ready for the future as well.

Now, Dana talked about how good the environment is for us to bring about the birth of the public/private partnership. And she said that from the vantage point of working in EPA, which is always concerned about how you strengthen this industry, or any transportation industry to be exact, and do no harm. And, hopefully, enhance the environment. You also had Michael speaking from the vantage point of USDA, Joe speaking from the vantage point of the Corps of Engineers, and Bob Mallett speaking from the vantage point of Commerce, echoing all of the wonderful points that have been made by our distinguished presenters.

But each of them also said, as I say once again, that you have a good administration with which to work. This is an Administration that believes that we can have a good environment and a strong economy. If you look back over the last six years, you will see that manifesting itself at every turn.

Because of what you have done here at this conference, we are several giant steps, and I underscore that, closer to making sure that the Marine Transportation System is ready as an integral part of our nation's national transportation system. We now have the beginning of a powerful vision. Those who have no vision perish. But that is not going to be the case with this industry. I think that it is a vision that will command the respect and the attention, not only of those who serve in the Executive Branch, at the highest levels, but also the Congress.

The entire U.S. transportation system is undergoing a transformation. Not a transition, but a transformation. We all are asking these questions, is bigger better? Can we use technology to give us some of the added capacity we need and preserve the green spaces? That "bigger" sometimes consumes? How do we deal with matters pertaining to sprawl?

Our Marine Transportation System is a part of that transformation. The most exciting thing about the discussion that has occurred just here before us today, has been a sense of renewal, and a sense of a greater presence of synergy, and a greater excitement and electricity in the room because of the uniqueness of this gathering. You should see yourselves as we see you. This is a great collection of leaders who can help to get us to where we need to be.

Now, we are rapidly becoming a system that integrates the physical transportation infrastructure with advanced information and communications technology. This is as it should be as we move from an industrial-based society to an information/technology-based society. But does that mean that the agricultural society that gave us the foundation for the industrial-based society has no role to play? No. And Michael has made that point clearly in his contributions today. We are still a nation that helps to feed the world. That is because of our strong agricultural base. We have to have a transportation system that can respond to our agricultural needs, our industrial needs, and also the needs of a technology-based, information-based society.

At this first ever national conference on the U.S. Marine Transportation System, and I'm honored to be a part of it, you have produced some important insights about who we are and where we should be today. And you have communicated that very, very well through your spokespersons here. I hope you noticed, we were all taking a lot of notes. And as we responded, you could tell we were listening.

Not only do you have people here that are strong intellectually, but who know how important this work is as relates to our competitiveness.

This effort is also something that speaks to the very essence and being of America, because we are a maritime nation, we are an island nation.

As I've listened to the reports this morning, I could clearly hear outlined in those reports an emerging consensus on many issues. I will touch on those as I come to a close.

Your call for leadership came through loud and clear. And I can tell you that I personally want to assure you that I will do my part working with all of you in carrying out the leadership role. Your concerns that many key players in our economic and political system do not understand nor appreciate the role of the MTS in assuring our nation's future prosperity also came through loud and clear.

We have to tell your story, and we have to tell it without apology, and without shrinking to the task and in the task at hand. We will, from this moment forward, take up that cause, as we educate the American people as to the importance of the work that you do. That will begin with telling all of the good work that has occurred here in this session, which builds on the listening sessions that we had all across the country.

We will take the work product, and we will publish it in the Federal Register. We will use it to elicit and solicit comments from the public at-large. Then we will take that, and with you, fashion a legislative agenda, fashion a message, fashion the kind of policy that will help us build from strength to strength as we go into a new century and a new millennium.

I particularly appreciate that your working sessions focused on safety, environmental and security concerns as well as technology and economic concerns. I feel confident in saying that we have forged the beginnings of a new partnership. A partnership, again, reflected by the great diversity in this room, and by the powerful intellectual muscle here represented. But it is a new kind of partnership, for it includes both government and the private sector, and that's what you have demonstrated through your discourse, in a positive way over the past day or so.

We are ready, I believe, to take some important steps. First, let me say what the Congress has already directed us to do. Congress has directed me, and I get this direction through the Coast Guard and through MARAD, so I want everybody to know there are others on the hot seat with me, especially Clyde Hart, our Administrator, and his team at

MARAD, and also Admiral Loy and his great team there at the Coast Guard. But working collectively, these two individuals and their teams will help me to carry out our responsibility in establishing a task force to assess the adequacy of the nation's Marine Transportation System. And all of you, through the reports and through your participation in the listening sessions, will be a part of this effort with us. We have listened, we have learned, and now, with your help, we can effectively respond to the challenge put to us by the Congress.

Now, in this effort we're also charged with assuring that we are operating in a safe and efficient and secure and environmentally-sound manner. And there again, we will take the benefit of the specific comments here made to help us in that regard. We want you to know that we're going to move quickly in establishing the task force. I believe that the task force, at least in the beginning, can become the national coordinating structure that we talked about here today. I believe that this task force can become the national coordinating structure that you described in your briefings here this morning. The initial agenda of the task force will come from the key issues that have been brought forward over the past few days.

Some of the initial ideas that the task force will take into account deal with education, educating the public and also marketing the good things that have been done here. We in the Department focus on a phrase that was used by Alex Haley, which is actually on his gravestone: "Find the good and praise it."

You need ambassadors. You need people that see the good work that you do, and who then go forth and praise it. I will be one of those individuals. All of the individuals here gathered will be those voices for you. And clearly, you represent a strong and powerful chorus of voices yourselves.

The task force can also help give focus to that voice. Through outreach efforts dealing with the local entities that we've discussed here, so that it's not a top-down kind of effort. Ultimately, it's all about building from the bottom up. If I can provide some leadership and help in that regard, that is good. The task force can help the legislative initiative, and the various funding matters that will have to be addressed as we go forward.

Lastly, let me acknowledge, once again, your contribution to this effort. As you hear me talking about the work of the task force, know that we're going to take your work product and carry it forward. By participating in this conference and in our earlier Regional Listening Sessions, the work that you have done helps the task force. There again, I want to thank you. I cannot say that enough.

As I said on Tuesday, I will share the results of this conference with my fellow Transportation Ministers from throughout the hemisphere when we gather in mid-December in New Orleans. I think that that will help us carry forth the good work that you have started.

Part of our challenge to be addressed here involves actions that are being taken by others, whether it's building larger ships or matters of that type. I think our interface with our partners will be helpful in that regard. We also plan to use your work as a guide to our legislative approach to the new Congress, and I can assure you that a number of other departments and agencies will do the same. And we're going to do that in a coordinated fashion.

On Tuesday, I stated that we're off to a good start, but today I can tell you that we're off to a great start. You know, this is an effort that has begun. We've only just begun. But I can assure you that the best, with this kind of start, is yet to come.

Thank you for all of your participation, and I thank you for your insight and intellect that you have contributed to this significant and great undertaking.